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STONY POINT TOWN SUPERVISOR INDICTED
BY U.S. FOR BRIBERY AND EMBEZZLEMENT

JAMES B. COMEY, the United States Attorney for the Southern District of New York; KEVIN P. DONOVAN, the Assistant Director In Charge, Federal Bureau of Investigation; and MICHAEL E. BONGIORNO, the District Attorney of Rockland County, announced this afternoon that a federal grand jury in White Plains returned a two-count Indictment charging STEVEN M. HURLEY, the Town Supervisor of Stony Point, New York, with soliciting a bribe from a contractor and embezzling Town funds.

According to the Indictment, HURLEY devised a scheme arising out of the Town of Stony Point's multimillion-dollar development of a golf course. The Indictment, much like the Complaint filed back on February 10, 2003, when HURLEY was arrested, relates that a contractor was owed more than \$240,000 for work on the golf course and on a road adjacent to the golf course. It is alleged that the contractor had made several unsuccessful

efforts to be paid by the time he was summoned by HURLEY for a meeting in the Supervisor's Town Hall office on February 6, 2003.

The Indictment relates that at this meeting, HURLEY proposed a scheme which called for the contractor to submit three bills rather than two for work that had actually been completed on the golf course and the adjacent road. The third bill was to be a double-billing (for approximately \$8,500 of work that would already have been accounted for in the bill for the road), and was ostensibly to be for payment to the contractor personally, rather than to the contractor's company. In reality, it is alleged, HURLEY instructed the contractor to cash the check issued for this third bill and return the cash to HURLEY.

The contractor is said to have reported the matter to law enforcement authorities and to have cooperated in the investigation. Pursuant to HURLEY's directions, it is alleged that the contractor returned to Town Hall on February 10 and presented HURLEY with three bills: (a) one detailed application for payment claiming \$257,910.08 for golf course development; (b) a set of four regularly typed company invoices, totaling \$19,328.21, which included an invoice for road related charges of \$8,574.86; and (c) a hand-written bill on plain paper indicating that payment was sought by the contractor personally for "equipment rental and labor for road" in the amount of \$8,574.86. HURLEY is said to have directed a member of his staff to create a typewritten version of

the handwritten bill, after which the latter was torn and discarded.

According to the Indictment, the newly typewritten bill was attached to a voucher directing payment to the contractor personally. Also attached to that voucher, it is alleged, was a copy of the very same invoice (for \$8,574.86) that had been attached to, and was ultimately paid as, part of the aforementioned \$19,328.21 bill. Consequently, payment of \$8,547.86 was allegedly approved by HURLEY twice, and issued twice, for precisely the same work.

According to the Indictment, Town checks were issued for all three bills. The bills for golf course development and road construction were charged against the Capital Account, which is funded with money raised by the Town for the golf course by the sale of bonds. The third bill (i.e., the double-billing for \$8,574.86) was charged to the Town's General Fund – specifically the Lieu of Land account.

As the Indictment explains, the Lieu of Land account is funded by contributions from developers in lieu of setting aside land for parks, as is sometimes required of developers. According to HURLEY's scheme, as outlined in the Indictment, the Lieu of Land funds in this instance were to be converted to cash (when the contractor cashed the check for \$8,574.86) and paid directly to HURLEY.

The Indictment relates that the contractor, pursuant to HURLEY's instructions, met HURLEY in the early afternoon of February 10 at a location in Town away from HURLEY's Town Hall office. There, it is alleged that the contractor paid HURLEY \$8,574.86 in cash. According to the Indictment, HURLEY had the cash in his car when he was approached by law enforcement agents shortly afterwards.

HURLEY is charged in Count One of the Indictment with soliciting and accepting a bribe. Count Two charges him with embezzlement and with intentionally misapplying Town funds. If convicted on the charges in the Indictment, HURLEY could be sentenced to a maximum of 20 years in prison and fined up to \$500,000.

HURLEY is scheduled to be arraigned on the Indictment in White Plains federal court on Wednesday, March 12.

Mr. COMEY once again praised the cooperative efforts of the FBI and the Office of Rockland County District Attorney MICHAEL E. BONGIORNO.

Mr. COMEY stated that the corruption investigation is continuing.

ANDREW C. MCCARTHY, the Chief Assistant United States Attorney for the White Plains Division, and Assistant United States Attorney STEPHEN J. RITCHIN are in charge of the prosecution.

The charges in the Indictment are merely accusations, and

the defendant is presumed innocent until and unless proven guilty.

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